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The strength of York
Experience, Leadership, and
Integrity

February 23, 2016

Federal Insurance Company
C/O York Claim Service
99 Cherry Hill Road
Parsippany, NJ 07054

Attn: Gary Pettit
Property Claims Analyst

Report Number:	23 rd Status Report
York File Number:	YKFA-014828
Policy Number:	00998362100
Policy Term:	August 15, 2012 – 2013
Claim Number:	CHME-0707A9
Name and Address of Insured:	Coral Realty, LLC., ETAL 400 Broome Street New York, NY 10013
Location of Loss:	201 East 14 th Street New York, NY
Date of Loss:	12/05/2012
Type of Loss:	Property Damage

INTRODUCTION:

This loss involves damage to the insured risk as a result of construction of a new building being built against the insured risk exterior wall. We continue working with the assigned experts and attorneys assigned to this loss to complete our analysis and measurement of this claim. With this report, I will discuss those developments and future handling of this claim.

REPLY REQUESTED:

- Does Chubb Insurance Company agree with the proposed measurement and payment for the insured's incurred claim expenses totaling \$111,468.32? I will discuss the details of this figure later in this report.

ESTIMATE OF LOSS:

I have not modified my estimate of loss since my last report. These figures are based on the initial ROM estimate provided by DBI. This ROM is based on the potential scope prepared by Halliwell Engineering and inspections of the insured risk. These figures are changing and will be adjusted once the final measurement is determined. Please know that these figures can change substantially during the adjustment of this claim based on the changing status on the scope of work. If there is a need to modify them, I will notify you immediately.

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	Low	High
Building	1,845,040.00	2,570,099.00
Extra Expenses	75,000.00	100,000.00
Business Income	50,000.00	75,000.00
Sub-Total	1,970,040.00	2,745,099.00
Less Deductible	(10,000.00)	(10,000.00)
Total	1,960,040.00	2,735,099.00

❖ Please note that these figures do not take into consideration and code upgrades nor do they consider all of the policy provisions

WP; REL-SUBRO

ADJUSTMENT:

With my last report, I discussed the most recent developments and proposed the future adjustment of this claim. I discussed the outcome of the adjustment team's meeting with the owners of the 133 property, MacArthur Morgan and the access agreement to allow the insured to make their building repairs from the exterior. For an agreed amount, this access agreement would allow the insured to work off of the 133 structure platform with the assistance of minimal shoring and scaffolding. According to the assigned experts, this exterior repair method is the most reliable and feasible method to repair the insured risk.

We did meet with the insured and his team including their public adjuster and attorneys to discuss the access agreement and repairs. The insured explained that they are unwilling to trust MacArthur Morgan and would not agree with the method proposed to repair the insured risk. The insured and their team continue to argue that the best way to repair the insured structure is by using an "inside/ out" repair method. This repair would require the removal of the interior walls, chipping three inches of the concrete wall from the 133 3rd Avenue building and then repairing the exterior of the insured structure. This exterior repair would be performed from the inside of the insured risk in a three inch space between both buildings. It is the opinion of our experts and adjustment team that this repair is not feasible and all indications are that it has never been done before.

At this point, there has been no agreement on the repairs to the insured risk and our team is working with the NYC DOB to monitor the approvals for the selective demolition

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of the 133 property. This demolition will ultimately lead to the insured being able to make the repairs to their building from the preferred and proven side, the exterior of the structure. In addition, with the authority of Chubb Insurance Company, a partial payment of \$100,000 was issued to the insured for an undisputed amount for the building repairs. At this time, we are working with the assigned experts to complete our analysis and measurement of this claim and to secure an agreed price with the insured.

In addition to the above, I met with the insured's public adjuster on February 10, 2016 to review the incurred expenses submitted by the insured totaling \$439,635.89. I have prepared a worksheet detailing this submission and based on my meeting and discussions with the public adjuster and Chubb's attorney, I have completed my review of the submission. I have since provided the Chubb adjuster with a copy of my worksheet for his review and consideration of a payment for the incurred costs totaling \$111,468.32. A copy of my worksheet is enclosed for your records (Enclosure 1).

Lastly, the insured's public adjuster has requested a meeting at the insured risk with the building estimators and engineers without the attorneys. The purpose of this meeting would be to discuss the repairs to the property and hope to agree on a scope. Please note that we are nowhere close to agreeing on the repair methodology; therefore, this meeting would most likely not be productive. I have informed Chubb and their attorney of this request and await their direction moving forward.

BUSINESS INCOME/ EXTRA EXPENSE:

The insured rents this structure exclusively to New York University (NYU) as a student dormitory. With the proposed repair methodology presented by the public adjuster, the students in the apartments along the adjacent wall of the neighboring structure will be vacated. As a result, the insured will either incur the expense of the relocation or lose the rents during the period of restoration. However, this situation and exposure remains undetermined.

If the repairs to the insured risk can be made from the outside at the 133 property, the potential income loss will be nearly eliminated as there will be no disruption to any of the dorm rooms other than Room 407. Additionally, with the decreasing scope of work that eliminates any work on the first two floors of the insured risk, the income loss exposure will be reduced. This potential exposure will remain undetermined until we secure an agreed repair methodology and price as well as a construction schedule. I will keep you apprised on all developments regarding this exposure as they become available.

FUTURE HANDLING:

My next report will follow within the next 30 days. With that report, I will update you on the following:

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- With your authority, issuing a proof of loss for the proposed payment of the incurred expenses discussed in this report;
- Working with the assigned experts and Chubb's attorney to complete our analysis and measurement of this loss;
- Working with the adjustment team to secure and agreed price with the public adjuster and insured for the repairs to the insured risk;
- Working with the public adjuster to identify the business income and/ or extra expense exposure related to this claim;

WP; REL-SUBRO

If you have any questions or need to discuss this loss further, please call.

Respectfully submitted,

Clifford W. Hyde Jr.

Clifford W. Hyde Jr.
Executive General Adjuster

ENCLOSURES:

1. Copy of Incurred Expenses Worksheet;

CC: York Risk Services Group, Inc.
Attn: Mary Taylor - Subrogation Examiner
Via Email @: Mary.Taylor@yorkrsg.com

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FED CL00013025

ROLLINS
ACCOUNTING &
CONSULTING, LLC
5451461.00

Coral Crystal, LLC									
Incurred Expenses									
Date of Loss: December 5, 2012									
Ref. #	Invoice Date	Source Document	Invoice #	Vendor	Description	Invoice Amount	Litigation Expense	Proposed	Under Review
YORK SLA ANALYSIS									
47	02/17/15	Invoice	1463-1	CSD Architecture PLLC	Architect fees.	24,360.00		12,180.00	12,180.00
						Per discussion with public adjuster, he will obtain limesheets and expense details including copies of drawings etc... Once received consideration will be given for these expenses. At this point, I am proposing 50% of the submitted expenses be considered until documentation is received.			
48	04/17/13	Invoice	307407129	Icberg Developing Co., LLC	Installation of New Wall	36,000.00			36,000.00
						This invoice references the installation of temporary wall as per Harwood instructions. There is no estimate or scope of work provided nor canceled check to support costs incurred. Our estimate to do this same work totaled \$17,441.36 of which Coral was paid \$5,871.62. Costs appear excessive for a temporary wall in one room (407).			
49	05/04/15	Invoice	200603	Icberg Developing Co., LLC	1) Moving students from area where wall damage occurred or affected areas on the 3rd & 4th floors. 2) Removing furniture from affected areas on the 3rd & 4th floors. 3) Installation of metal framing for the 3rd & 4th floors. 4) Installation of plywood on metal studs. 5) Installation of sheetrock on plywood. 6) Taping, compounding, plastering, & painting.	12,937.50		12,937.50	
						Invoice for temporary wall appears to be duplicate of above from Icberg; however, the scope indicates a temp. wall on the 3rd and 4th floors. There was only a temp. wall erected on the 4th floor and our estimate for this was more than this invoice. Again, need to see check and verification of scope and that this is not a duplicate to the above invoice.			
50	04/19/13	Invoice	RT813-123	Redeye Technical Services, Inc.	Location Survey (\$3,500 Discounted to \$3,000)	3,000.00		3,000.00	
						Costs incurred for surveying the property prior to the loss being reported. This cost is an incurred amount to mitigate the damage to the insured risk. Proposing 100%.			
51	01/14/13	Invoice	22813	Woxler Associates	Field Visit/Prepared Report	4,200.00		4,200.00	
						Costs incurred for surveying the property prior to the loss being reported. This cost is an incurred amount to mitigate the damage to the insured risk. Proposing 100%.			
52	01/31/13	Invoice	22828	Woxler Associates	Field Visit/Prepared Report	7,000.00		7,000.00	
						Costs incurred for surveying the property prior to the loss being reported. This cost is an incurred amount to mitigate the damage to the insured risk. Proposing 100%.			
						87,497.50		39,317.50	48,180.00
						Subtotal			
						TOTAL			
						439,635.89	250,897.57	111,468.32	77,660.00



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The strength of York
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October 28, 2016

Federal Insurance Company
C/O York Claim Service
99 Cherry Hill Road
Parsippany, NJ 07054

Attn: Gary Pettit
Property Claims Analyst

Report Number:	30 th & Final Report
York File Number:	YKFA-014828
Policy Number:	00998362100
Policy Term:	August 15, 2012 – 2013
Claim Number:	CHME-0707A9
Name and Address of Insured:	Coral Realty, LLC., ETAL 400 Broome Street New York, NY 10013
Location of Loss:	201 East 14 th Street New York, NY
Date of Loss:	12/05/2012
Type of Loss:	Property Damage

INTRODUCTION:

This loss involves damage to the insured risk as a result of construction of a new building being built against the exterior wall of the insured risk. We have been working with the assigned experts and attorneys to complete our analysis and measurement of this claim. Since my last report, I was contacted by York RSG Senior Property Claims Analyst Gary Pettit informing me that at the end of October 2016 this loss will be moved from York RSG and brought in-house to the Ace/Chubb TPA in Atlanta, GA. Since my last report, I have been advised to close my file and collect all outstanding expert invoices to include in our final report to Chubb and close our file.

USE OF EXPERTS:

As mentioned above, I received invoices from two experts that have outstanding invoices due. The first invoice I received is from Halliwell Engineering for their services totaling \$555.00 (Enclosure 1). I have reviewed this invoice and feel it is reasonable for the time involved. At this time, I am proposing payment is issued to Halliwell Engineering to the following address:

Halliwell Engineering
865 Waterman Avenue
Providence, RI 02914
FIN: **REL-TAX ID**

In addition, I received invoices from the appraiser assigned by Chubb, Mr. Mark Parisi of White and Williams totaling \$6,986.26 (Enclosure 2 & 3). Payment should be sent to White and Williams to the following address:

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White and Williams LLP
 One Liberty Place, Suite 1800
 Philadelphia, PA 19103-7395
 FIN: **REL-TAX ID**

Please note that I have followed up with the remaining experts involved with this loss and all payments are current with them.

ESTIMATE OF LOSS:

I have not modified my estimate of loss since my last report. These figures are based on the initial ROM estimate provided by DBI based on the scope of loss prepared by Halliwell Engineering and inspections of the insured risk. These figures are changing and can change significantly once the final measurement is determined. If there is a need to modify them, I will notify you immediately.

	Low	High
Building	1,845,040.00	2,570,099.00
Extra Expenses	75,000.00	100,000.00
Business Income	50,000.00	75,000.00
Sub-Total	1,970,040.00	2,745,099.00
Less Deductible	(10,000.00)	(10,000.00)
Total	1,960,040.00	2,735,099.00

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WP; REL-SUBRO

AC/WP

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AC/WP

Incurred Invoice Analysis:

With my previous reports, I discussed my analysis of the incurred invoices submitted by the insured as part of this claim and proposed a potential payment to the insured totaling \$111,468.32. The Chubb examiner, Zimmerman of Chubb informs me that these amounts will be considered and included in the appraisal process of this claim and settled up when the appraisal is completed.

BUSINESS INCOME/ EXTRA EXPENSE:

The insured rents this structure exclusively to New York University (NYU) as a student dormitory. It is likely that the insured will submit a claim from lost rents during the period of restoration depending on the method used to repair the structure. Since there has been no formal agreement on the repair process, methodology or time frame this matter remains undetermined. I will keep you apprised on all developments regarding this exposure as they become available.

FUTURE HANDLING:

I have been instructed to close my file with no further activity as this loss is being moved from York Risk Services Group to another TPA firm that is affiliated with ACE/Chubb in Atlanta, GA. It is possible that the new TPA will request I remain involved with this claim as the field adjuster; however, until that time comes (if it comes at all) I will reopen my file and work with Chubb's adjustment team to resolve and potentially settle this loss.

If you have any questions or need to discuss this loss further, please call. At this time, my file is closed and I thank you for the assignment.

Respectfully submitted,

Clifford W. Hyde Jr.

Clifford W. Hyde Jr.
Executive General Adjuster

A member of York Insurance Services Group, Inc.

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